



## 1997 ASSEMBLY BILL 185

March 13, 1997 - Introduced by Representatives OLSEN, HARSDORF, POWERS, AINSWORTH, BRANDEMUEHL, DUFF, GROTHMAN, GUNDERSON, HAHN, HUBER, JENSEN, KREIBICH, LA FAVE, F. LASEE, MURAT, MUSSER, OTT, OWENS, SERATTI, SPRINGER, SYKORA and ZUKOWSKI, cosponsored by Senators MOEN, BUETTNER, DECKER, DRZEWIECKI, GROBSCHMIDT, HUELSMAN and WELCH. Referred to Committee on Ways and Means.

1     **AN ACT to amend** 779.14 (1m) (b) 1. of the statutes; **relating to:** performance  
2             bonding requirements for certain contracts for public improvements or public  
3             works.

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### *Analysis by the Legislative Reference Bureau*

Under current law, certain contracts pertaining to public improvements or public works are required to contain a provision for the payment by the prime contractor of all claims for labor performed and materials furnished, used or consumed in making the public improvement or performing the public work. The prime contractor is required to give a performance bond for payment of these claims. These requirements apply to contracts with the state, if the contract involves \$2,500 or more, and to other public improvement or public work contracts, if the contract involves \$500 or more. Prior to 1995 Wisconsin Act 395, the performance bond requirement could be waived if the appropriate governmental entity determined that the contract provided for adequate guarantees or warranties of performance. This authority to waive performance bond requirements was repealed by 1995 Wisconsin Act 395.

This bill eliminates the performance bond requirements for contracts that do not exceed \$10,000 and restores the authority to waive the performance bond requirements for contracts in excess of \$10,000.

